

Larry E. Craig, Chairman
Jade West, Staff Director

Legislative Notice

Editor, Judy Gorman Prinkey

No. 66

May 13, 1998

S. 2057 – The National Defense Authorization Act for FY 1999

Calendar No. 362

Reported from the Committee on Armed Services on May 11, 1998, without amendment, by voice vote. An original bill [S. Rept. 105-189].

NOTEWORTHY

- While no unanimous consent agreement existed at press time, the Majority Leader stated his intention to turn to S. 2057, the FY 1999 Defense Authorization Bill this week.
- The bill authorizes \$270.6 billion in budget authority, the level requested by the President, and consistent with the FY 1999 Budget Resolution. This level is \$2.9 billion below FY 1998 in real terms.
- In other action, the Committee: approved a 3.1-percent pay raise for military personnel effective January 1, 1999; authorized the Administration's emergency budget amendment of \$1.9 billion for operations in Bosnia; increased military construction programs by \$500 million; approved the shipbuilding budget request; authorized the requested amount to procure seven V-22 tilt-rotor aircraft; authorized the requested amount of \$2.9 billion for procurement of the C-17 cargo aircraft; authorized a net increase of \$154.3 million for the Ballistic Missile Defense Organization; provided \$409.7 million in additional funds for readiness accounts of each active and reserve service; provided \$66.3 million in additional funds for ammunition procurement; and, insisted on sufficient testing of the F-22 stealth fighter prior to committing to production. [See attached chart for details.]
- The Committee did not authorize another round of base closures in 2001. The Pentagon has recommended two new rounds of closures in 2001 and 2005.
- Language contained in the bill prohibits the Defense Secretary from implementing any policy changes regarding gender separation or integration until the Congressional Commission on Military Training and Gender-Related Issues releases its report. The tenure of the Commission was extended until March 1999.

HIGHLIGHTS

- The Committee approved the shipbuilding budget request for procurement of the second **new attack submarine (NSSN)** and for advance procurement and construction of future nuclear attack submarines at \$2 billion, three **DDG-51 Arleigh Burke class destroyers** and advance procurement for future destroyers at approximately \$2.7 billion, the second **LPD-17 San Antonio class amphibious ship** at \$639 million, the last **Large Medium Speed Roll-on/Roll-off (LMSR) strategic sealift ship**, and one **oceanographic survey ship (T-AGS)**.
- The **active duty military personnel end strength** was authorized at 1,395,578. This level is 35,801 below the FY 1998 level.
- The **reserve component end strength** was authorized at 883,094, which is 12,165 below the FY 1998 level.
- The Committee bill requires the Defense Secretary to identify the expected costs the DoD will incur from auctioning those portions of the **radio frequency spectrum** that the DoD currently utilizes, and requires the DoD, and any other federal agency, be reimbursed for any costs incurred as a result of those sales.
- In recognition of the continued drawdown of military and civilian personnel recommended by the Quadrennial Defense Review (QDR), the Committee **extended the force management and transition benefit authorities** for military and DoD civilian personnel until September 30, 2003.
- In light of continued shortfalls in budget authority for DoD modernization, the Committee is pleased to note **an increase in the level of funding provided for Guard and Reserve modernization** in the FY 99 budget request of \$1.36 billion.
- The Committee recommends a provision authorizing the President to **call up reserve forces** in response to domestic emergencies involving the use or threatened use of a weapon of mass destruction. The provision also authorizes the reserve components to organize, equip and train elements to perform duties in support of emergency preparedness programs to respond to a domestic emergency involving weapons of mass destruction.
- Citing concerns over the **Year 2000 (Y2K) problem**, the Committee:
 - Required the DoD to prioritize its efforts to ensure that its most significant mission-critical systems are made compliant.
 - Required the DoD to create a comprehensive contingency plan to resolve emergencies resulting from those systems that are not compliant.

- Provided an additional \$82 million for essential testing and contingency planning related to the Y2K problem.
- Expressing concerns over reports that peacekeeping and contingency operations may be contributing to readiness problems, the Committee recommends a provision requiring the Defense Secretary to submit a report on how deployments are impacting readiness.
- The bill includes a provision prohibiting the retirement of certain strategic nuclear delivery systems during FY 1999 unless START II enters into force.
- An Enhanced Caribbean/Eastern Pacific Interdiction Initiative was authorized, providing for the deployment of six Cyclone Class Patrol Coastal Ships to the U.S. Southern Command's area of responsibility to increase U.S. drug interdiction capabilities.
- The Committee authorizes \$8.3 billion for military construction for FY 1999. This account provides funding for construction and military family housing operations for the military services, the Reserve components, the defense agencies, and the North Atlantic Treaty Organization Security Investment Program. It also provides authorization for the Defense Base Closure and Realignment account to implement recommendations for previous rounds of base closures.
- The bill authorizes \$11.9 billion for Atomic Energy Defense activities, a \$378 million increase over last year's funding levels.

BILL PROVISIONS

Title I — Procurement

- The Committee recommends an increase of \$78.5 million to procure eight additional UH-60 Blackhawk helicopters to achieve the most economical production rate. The Committee expects the Army to fund the remaining 32 aircraft, currently unfunded in the Future Year Defense Program (FYDP), in future budget submissions.
- A total authorization of \$647.2 million is provided for the Apache Longbow helicopter, which includes an additional \$38.7 million for Longbow training devices and an additional \$1.5 million to procure two engine kits and to fund qualification testing that will establish the viability of upgrade kits and avoid costly procurement of new engines that would otherwise be required.

- The Committee recommends a total of \$77.8 million, of which \$65.7 million was added to the President's request, to support Army plans to procure new **HMMWV** (High Mobility Multipurpose Wheeled Vehicle — light trucks) to replace aging vehicles.
- The Committee recommends a provision that would authorize \$124.5 million, the budget request, for the advance procurement and construction of components, including nuclear components, for the **CVN-77, the next nuclear aircraft carrier program**. This continues advance funding which will result in several hundred millions of dollars of savings on the cost of the CVN-77.
- \$50 million is authorized for the advance procurement of the **LHD-8, the amphibious assault ship**. This provides initial funding for long-lead items to build the more capable Wasp class multi-purpose ship instead of proceeding with a future service life extension for the LHA-1 amphibious assault ship.
- The Committee added \$72 million for future production or termination of the **Joint Surveillance/Target Attack Radar System (JSTARS)**, while awaiting a report from the Secretary of Defense on the future of the program. The report is to outline the decision-making process as well as the Department's long range plans to provide for overhead battle management and surveillance.
- The budget request included \$668.1 million for **F-22** procurement and \$190.2 million for advance procurement. The Secretary of Defense is required to ensure that F-22 flight test reaches 10 percent of the total planned testing, before releasing advance procurement funds for the Lot II aircraft. The Secretary may release those funds with less than 10 percent of flight testing completed if he certifies that a lesser amount of flight time is sufficient to base a decision for Lot II advance procurement and that the cost of breaking production while waiting on 10 percent of the flight testing is greater than the risk of going forward. In any case, no funds may be released until at least 4 percent of flight testing have been flown.
- Citing concerns that the **Minuteman III guidance systems** are currently 10 to 18 years beyond their original design life of 10 years and must be replaced as soon as possible, the Committee recommends an increase of \$46 million for the Minuteman III Guidance Replacement Program, and urges the Air Force Secretary to seek additional funds in FY 2000 to establish a more efficient and expeditious production program.
- The Committee authorized the budget request of approximately \$2.9 billion for the procurement of 30 **F/A-18E/F aircraft**, but directed the Navy Secretary to provide a report on the mix of F/A-18 E/F aircraft. (Note: the F/A-18E is a one-seater and the F/A-18F is a two-seat aircraft.)

Title II — Research, Development, Test, and Evaluation

- The Committee terminated the **Dark Star unmanned aerial vehicle (UAV)**, citing it as an unfortunate case of overreach with respect to cost, schedule, and performance and that it has taken too long to complete development and recover from the crash of the first air vehicle on its second flight. Some of Dark Star funds were used to buy extra **Global Hawk UAVs**.
- The budget request included \$367.8 million for continued development of the **Comanche helicopter**, which the Committee strongly supports, and believes should be accelerated. The Committee therefore recommends an increase of \$24 million, for a total of \$391.8 million.
- The Committee approved the budget request of \$38.5 million for **CVN-77** research and development.
- The budget request included \$919.5 million for continued development of the **Joint Strike Fighter (JSF)**. The Committee recommends an increase of \$15 million to the budget request to accelerate the development of an alternative engine for the JSF.
- The Committee authorized an increase of \$13.3 million to the budget request of \$22.5 million for **non-lethal weapons technologies**.
- The budget request included approximately \$3.6 billion for the **Ballistic Missile Defense Organization (BMDO)** for research, development, test, and evaluation (RDT&E) and procurement. The Committee:
 - Authorized an increase of \$120 million for the Navy Upper Tier (Theater Wide) theater missile defense program, of which \$50 million is for the High Power Discriminator radar program;
 - Authorized the requested amount of \$950.5 million for the National Missile Defense program;
 - Authorized a reduction of \$33 million from the Medium Extended Air Defense System (MEADS), and directed that the remaining funds be used to study alternatives to the current MEADS concept.
- The budget request included \$80.4 million for the **counterproliferation support program** to accelerate the development and deployment of essential counterproliferation technologies and capabilities in the DoD and military services. The Committee recommends an increase of \$7 million to the counterproliferation support program and a \$20.5 million increase to the budget request for defense for unfunded requirements for the U.S. Special Operations Command for equipment to detect and destroy underground facilities and for training activities.

Title III — Operation and Maintenance

- The budget request for **drug interdiction** and other DoD counter-drug activities totals \$882.8 million, but this amount does not accurately represent DoD's resources for the war on drugs (e.g., the amount does not include proportional costs of procuring weapons systems used for drug interdiction, the personnel costs or the value of equipment and training provided to other nations to support their counter-narcotics efforts. Therefore, the Committee directs the Secretary to include an estimate of DoD's total contribution in future years' budget submissions.
- The Committee recommends \$440.4 million for the **Cooperative Threat Reduction (CTR)** program, a reduction of \$2 million from the budget request of \$442.4 million. This year's requested level is a \$60.9 million increase over last year's budget request.
- Citing concerns about continuing reports of **readiness shortfalls** from operational commanders, the Committee recommends an increase of \$450 million for base operations and training.

Title IV — Military Personnel Authorizations

See the attached chart for details on the Committee recommendations for Active Duty End Strengths and for Selected Reserve End Strengths.

Title V — Military Personnel Policy

- The Committee recommends a provision to extend the dates for the reports required of the **Commission on Military Training and Gender-related issues**: for the interim report, it recommends extending the deadline from April 15, 1998, to October 15, 1998, and for the final report, from September 16, 1998, to March 15, 1999. In other action, the Committee recommended a provision that would place a moratorium on changes to gender-related policies and practices pending completion of the Commission's work.

Title VI — Compensation and Other Personnel Benefits

- The Committee authorizes a **3.1-percent pay raise** for members of the uniform services, effective January 1, 1999.
- A provision authorizes the Secretary of Defense to conduct three distinct **demonstration programs** in which health care would be provided to military retirees who are over age 65 and Medicare-eligible. One demonstration would make these retirees eligible for the Federal Employees Health Benefit Plan. Another would extend TRICARE eligibility to these retirees as a supplement to Medicare. The third pilot program would extend eligibility for the DoD mail order pharmacy benefit to Medicare-eligible retirees.

- A provision is included that would enhance the **cooperation and resource sharing** between the DoD and the Department of Veterans' Affairs in providing health care to beneficiaries of both health care systems.

Title IX — DoD Organization and Management

- The Committee recommends a provision that makes permanent the requirement for the Defense Secretary to conduct a **Quadrennial Defense Review (QDR)** at the beginning of each new administration.

Title X — General Provisions

- The Committee recommends a provision that would authorize the **emergency supplemental appropriations** enacted in the 1998 Supplemental Appropriations and Rescissions Act, which provided funding for FY98 expenses for military operations in Southwest Asia and Bosnia, and natural disasters.

ADMINISTRATION POSITION

At press time, there was no Statement of Administration Policy available.

POSSIBLE AMENDMENTS

Byrd/Hutchison. Regarding the orderly and honorable reduction of U.S. ground forces from the Republic of Bosnia and Herzegovina.

Feingold. To direct the General Accounting Office (GAO) to maintain its review of the Navy's F/A-18E/F Super Hornet program until the program reaches full rate production.

Staff Contact: Dr. Yvonne Bartoli, 224-2946
Attachments: Charts on Active Duty End Strengths
and Selected Reserve End Strengths and Selected Defense Programs

Active Duty End Strengths

	<u>FY 1998 Authorization</u>	<u>FY 1999 Request</u>	<u>FY 1999 Recommendation</u>
Army	495,000	480,000	480,000
Navy	390,802	372,696	372,696
Marine Corps	174,000	172,000	172,000
Air Force	371,577	370,882	370,882
Total	1,431,379	1,395,578	1,395,578

Selected Reserve End Strengths

<u>Component</u>	<u>FY 1998 Authorization</u>	<u>FY 1999 Request</u>	<u>FY 1999 Recommendation</u>
Army National Guard	361,516	357,000	357,000
Army Reserve	208,000	208,000	208,000
Naval Reserve	94,294	90,843	90,843
Marine Corps Reserve	42,000	40,018	40,018
Air National Guard	108,002	106,991	106,991
Air Force Reserve	73,447	72,242	72,242
Coast Guard Reserve	8,000	8,000	8,000
Total	895,259	883,094	883,094

Senate Armed Services Committee Action on Selected FY 1999 Defense Programs

	FY 99 Request		Change		Committee Recommendation	
	Quantity	Cost	Quantity	Cost	Quantity	Cost
Procurement (\$Ms)						
Total Procurement		48,707.9		1,044.7		49,752.6
Highlights						
UH-60 Black Hawk	22	218.8	8	78.5	30	297.3
Longbow		611.8		40.2		652
AV-8B Harrier	12	338.4			12	338.4
F-18E/F	30	2,897.2			30	2,897.2
V-22	7	664.8			7	664.8
F-22	2	785.3			2	785.3
C-17 (MYP)	13	2,900.5			13	2,900.5
LHD-8 Adv Proc				50		50
LMSR	1	251.4			1	251.4
LPD-17	1	638.8			1	638.8
DDG-51	3	2,679.5			3	2,679.5
New SSN	1	2,002.9			1	2,002.9
HMMWVs	110	12.1	1,768	65.7	1,878	77.8
Minuteman III Modifications		90.6		46		136.6
RDT & E (\$Ms)						
Total RDT&E		36,078.6		224.4		36,539
BMD Highlights						
MEADS Concept-DEM/VAL		43		[33]		10
National Missile Defense-DEM/VAL		950.5				950.5
Support Technologies		166.7		126		292.7
Navy Theater Wide Missile Defense		190.4		120		310.4
Airborne Laser Program		292.2		[97]		195.2
Highlights						
F-22 EMD		1,582.2				1,582.2
V-22A		355.1				355.1
Joint Strike Fighter-Dem/Val		919.5		15		934.5
F/A-18 Squadrons		357.2		[23.4]		333.8
Comanche		367.8		24		391.8
New Design SSN		218.8		12		230.8
MILCON and Family Housing (\$Ms)		7,778		499.3		8,277.3